

## Message Text

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PAGE 01 ABU DH 00553 110921Z

15

ACTION NEA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 IO-10

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COME-00 EB-07 FPC-01 INT-05 OMB-01 OES-03 STR-01

TRSE-00 FRB-03 /100 W

----- 119634

R 110840Z MAR 75

FM AMEMBASSY ABU DHABI

TO SECSTATE WASHDC 2689

INFO AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY MANAMA

AMEMBASSY DOHA

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

C O N F I D E N T I A L ABU DHABI 0553

E.O. 11652: GDS

TAGS: PGOV TC

SUBJ: SHAIKH ZAYID'S RECENT NEWSWEEK INTERVIEW

1. WHILE SHAIKH ZAYID'S INTERVIEW WITH DEBORCHGRAVE THAT RECENTLY APPEARED IN NEWSWEEK IS MAINLY CAREFUL RESTATEMENT OF KNOWN UAE POLICIES, WE WOULD LIKE TO COMMENT ON A FEW POINTS. IN CONVERSATION OF COURSE ZAYID NEVER SOUNDED LIKE THIS. DEBORCHGRAVE IS DOING ALL THESE LEADERS A GREAT SERVICE BY COUCHING THEIR MUMBLINGS AND DISGRESSIONS INTO KISSINGERESQUE PRECISION OF EXPRESSION. AND JUST AS SADAT ALWAYS GIVES DEBORCHGRAVE SOMETHING THAT IS "SECRET" AND HAS "NEVER BEEN PUBLISHED BEFORE", SO ZAYID DOES WITH HIS CONFIDENCE THAT HE HAD TO BORROW MONEY ON LONDON MONEY MARKET TO EXTEND LOANS TO EGYPT AND SYRIA DURING OCTOBER WAR. OUR MAN WANTS VERY MUCH TO BE IN BIG LEAGUES.

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2. ZAYID'S ANSWER ON POSSIBLE US INTERVENTION IS IN KEEPING WITH CALM

DOWNPLAYING THAT WE HAVE BEEN GETTING ON THIS SUBJECT WHEN IT HAS OCCASIONALLY ARISEN IN OUR ENCOUNTERS WITH SENIOR UAE OFFICIALS HERE. WE ARE INTERESTED AND SOMEWHAT AMUSED TO NOTE THAT IN ANSWER TO QUESTION ABOUT POSSIBILITY OF NEW EMBARGO ZAYID TURNS OUR "STRANGULATION" CRITERION AROUND ON US. EMBARGO WOULD BE JUSTIFIED IF "SURVIVAL OF THE ARABS" WERE AT STAKE. ONE WOULD WELCOME THIS APPARENT DE-ESCALATION OF POSSIBLE USE OF "ULTIMATE WEAPON" WERE IT NOT FOR NEXT QUESTION, WHEN DEBORCHGRAVE ATTEMPTS TO DEFINE CIRCUMSTANCES IN WHICH EMBARGO MIGHT BE APPLIED, AND ZAYID ANSWERS WITH CAUTIOUS WAFFLE.

3. ON CURRENT CONTRETEMPS WITH OIL COMPANIES, ZAYID APPEARS TO HAVE BOUGHT LINE OTAIBA HAS GIVEN US THAT RECENT SHARP DROP IN LIFTINGS IS POLITICALLY MOTIVATED. WE DO NOT KNOW WHETHER ZAYID REALLY BELIEVES THIS. WE ARE INCLINED TO THINK IT IS MAINLY PUBLIC BRAVADO FOR OPEC CONSUMPTION TO SOME REDUCTIONS IN PRICE WHICH ABU DHABI IS NOW NEGOTIATING WITH COMPANIES.

4. OUR BROADER QUESTION OF PRODUCER-CONSUMER RELATIONS, WE THINK IT NOTEWORTHY THAT ZAYID TAKES MODERATE LINE IN INTERVIEW. HE ADHERES TO PRINCIPLE OF PRICE INDEXATION WITH OTHER COMMODITIES BUT IMPLICITLY ACKNOWLEDGES THAT OIL PRICES ARE TOO HIGH WHEN HE SAYS THAT IF PRICES OF OTHER COMMODITIES ARE BROUGHT DOWN, PRICE OF OIL COULD BE LOWERED BY EVEN MORE. IT IS RELATIVELY SHORT STEP FROM THIS IMPRACTICAL FORMULATION TO ACCEPTANCE OF OUR BASIC POSITION THAT WE CAN STABILIZE PRICE OF OIL IN RELATION TO OTHER COMMODITIES PROVIDED IT IS ON BASIS OF SUBSTANTIALLY LOWER OIL PRICES. ZAYID WOULD UNDOUBTEDLY RESIST KIND OF REDUCTION WE HAVE IN MIND, BUT IT IS HALF THE BATTLE TO GET HIM (AND WE HOPE OTHER OPEC LEADERS) TO ACCEPT PROPOSITION IMPLICITLY THAT OIL IS OVERPRICED.  
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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS CONFERENCES, MAGAZINES  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 01 JUL 2003  
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**Status:** NATIVE  
**Subject:** SHAIKH ZAYID'S RECENT NEWSWEEK INTERVIEW  
**TAGS:** PGOV, TC, NEWSWEEK, (ZAYID, IBN SULTAN)  
**To:** STATE  
**Type:** TE  
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